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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 20

NIHON KEIZAI (Page 2) (Full)  
April 21, 2006

09:34  
Arrived at Kantei.

11:05  
Joined a program sponsored by science producer Denjirosan  
Yonemura at the Science Museum

11:37  
Arrived at Kantei.

13:43  
Attended a Lower House plenary session.

13:55  
Arrived at Kantei.

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16:00  
Met Foreign Ministry European Affairs Bureau Director General  
Harada and African Affairs Bureau Deputy Director General Otabe.  
Later, attended a Security Council meeting.

17:14  
Met JDA Director General Nukaga. Met Latvian Prime Minister  
Kalvitis.

18:59  
Returned to his official residence.

4) Defense chief to visit US over Guam relocation

ASAHI (Page 1) (Full)  
April 21, 2006

Defense Agency Director-General Nukaga will leave Japan today to visit the United States to meet with US Secretary of Defense Rumsfeld and search for common ground over the pending issue of sharing the cost of moving US Marines from Okinawa to Guam in the process of realigning US forces in Japan. The Pentagon estimates the total cost of Marine relocation to Guam at 10 billion dollars, or approximately 1.18 trillion yen, and the US government has asked Japan to cover 75% of that cost. The Japanese government has put forward the idea of loan-based funding of about 3 billion dollars. The two governments' respective standpoints remain wide apart, so Nukaga will seek to bridge the gap with his US counterpart.

Nukaga met with Prime Minister Koizumi at his office yesterday evening and reported his plan to visit to the United States. "We have held talks in an energetic manner but are now in the final phase, so it's important that those in a responsible position hold talks," Nukaga quoted Koizumi as telling him.

However, Nukaga told reporters that he did not know if he could reach an agreement with his US counterpart on cost sharing. "I'm not going there just because we've made some arrangements," he added.

Nukaga is scheduled to arrive in Washington on the evening of April 21, or tomorrow morning, Japan time. He will meet with Rumsfeld that night or on the morning of April 22. US Ambassador to Japan Schieffer is also expected to attend their meeting. Nukaga met with Schieffer yesterday.

Nukaga will ask the US government to review its estimate of the total cost and its request for Japan's share. In addition, Nukaga will also tell his US counterpart that the Japanese government is also considering direct spending from state coffers in an aim to reach an agreement with the US government.

5) US asks Japan to pay Guam cost over five years; JDA chief to leave for US today

NIHON KEIZAI (Page 1) (Full)  
April 21, 2006

The US has asked Japan to pay over five years 7.5 billion dollars of the 10 million dollars estimated cost of transferring Okinawa-

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based Marines to Guam, according to informed sources yesterday. Defense Agency Director-General Fukushima Nukaga will leave Japan today for a three-day visit to the US to meet US Defense Secretary Rumsfeld and other officials in Washington. In a

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meeting with Rumsfeld, he will call for a reduction in the estimated cost needed for US force realignment in Japan.

Nukaga is set to tell Rumsfeld that Japan estimates the cost for realigning bases in Japan, including the planned relocation of the US Marine Corps Futenma Air Station, at about 2.5 trillion yen. Based on this calculation, he will convey Japan's desire to hold down its total spending for the entire realignment package to less than 3 trillion yen. Washington and Tokyo are arranging for a Japan-US defense summit on April 22.

6) Government to extend MSDF deployment in Indian Ocean for another six months

NIHON KEIZAI (Page 2) (Full)  
April 21, 2006

In a Security Council meeting yesterday, the government decided to change its basic plan on the dispatch of Maritime Self-Defense Force to the Indian Ocean under the Antiterrorism Special Measures Law and extend the dispatch for another six months through Nov. 1. The change of the plan will be approved at a cabinet meeting today.

7) Vice Foreign Minister Yachi visits South Korea today to seek a breakthrough

ASAHI (Page 1) (Excerpts)  
April 21, 2006

The Japanese government decided yesterday to dispatch Administrative Vice Foreign Minister Shotaro Yachi to Seoul today in an attempt to find a diplomatic breakthrough in the standoff between Japan and South Korea over Japan's planned maritime survey in Japan's exclusive economic zone (EEZ), including the area around a group of disputed islets in the Sea of Japan (Takeshima in Japanese and Dokdo in Korean), claimed by both the Japanese and South Korean governments. Seoul had demanded that Japan scrap its plan, while Tokyo has proposed that South Korea end its efforts to name or rename geographical features in the disputed area in Korean. Two Japan Coast Guard survey ships remain on standby near a port in Tottori Prefecture until a conclusion is made in the negotiations.

8) Vice foreign minister off to Seoul to avert clash over marine survey around disputed Takeshima (Dokdo) islands

YOMIURI (Page 2) (Excerpts)  
April 21, 2006

In an effort to reach a diplomatic settlement on the standoff between Japan and South Korea over Japan's plan to conduct a maritime survey near the waters around Takeshima (Dokdo), avoiding a clash between Japanese and South Korean ships, the government has decided to send to Seoul Administrative Vice Foreign Minister Shotaro Yachi.

Yachi was initially scheduled to meet on April 20 with South

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Korean Ambassador to Japan Ra Jong Yil in Tokyo. He instead has determined that in order to help South Korea save face and to show Japan's good faith it is better to negotiate with South Korean Foreign Affairs and Trade Minister Ban Kim Moon, so that he will be able to demonstrate Japan's diplomatic efforts for a resolution of the issue.

Yachi is expected meet with Kim and First Vice Minister Yu Myong Hwang. Behind-the-scenes talks between Japan and South Korea are now being carried out by senior diplomatic officials. "It would be good not to make a winner and a loser in the negotiations," a source said. The two sides are looking for a breakthrough that would allow them to save face.

Tokyo and Seoul reportedly are negotiating on specific points: Japan should not carry out its maritime survey during the negotiations, and South Korea should propose at an appropriate time the naming of geographical features in the disputed area in Korea, giving up on its plan to propose it to an international conference in June.

9) Row over Takeshima survey: Vice foreign minister to visit ROK, to take a hard and soft approach to look into how Seoul will respond

NIHON KEIZAI (Page 2) (Excerpts)  
April 21, 2006

The government's decision to send Vice Foreign Minister Shotaro Yachi to South Korea is an unusual development. Behind this decision is the government's intention to ease growing tensions over Japan's plan to conduct a marine survey in the waters around Takeshima (Dokdo), a group of islets claimed by both Japan and South Korea. Yachi is likely to again convey to South Korea Japan's policy of canceling the planned survey if South Korea gives up on its plan to propose using Korean names for undersea locations at an upcoming international conference on marine geography names. But South Korea appears unwilling to budge from its current position. Whether Japan can resolve the standoff with South Korea remains to be seen.

"We will aim for an amicable solution. We are continuing diplomatic efforts and contacts at various levels of officials." This remark came from Senior Vice Foreign Minister Katsutoshi Kaneda at a press briefing yesterday. Kaneda repeated the words "an amicable solution" four times in reference to the row over Japan's survey plan, but the Ministry of Foreign Affairs (MOFA) does not have any idea how to settle the row with South Korea. MOFA's idea is for both sides to throw away their respective plans - Japan's plan for a marine survey and South Korea's plan for proposing Korean names for undersea locations, but Seoul has shown no signs of agreeing.

Tokyo will demonstrate its sincerity by sending Yachi to Seoul and expects it to soften its attitude. But it is unlikely that things will go as Japan expects, because the dispatch of the vice minister to South Korea has come belatedly as a last resort, according to many observers.

Under a three-stage scenario designed to deal with the row with South Korea, as a first approach, Tokyo will send the vice minister to South Korea and look for a point of compromise.

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Reportedly, some in the South Korean government point out that if Japan acts first by declaring its cancellation of the survey, it will then be easier for South Korea to withdraw the proposal it plans to present at the international conference."

10) Seoul has little room for compromise, given national sentiment ahead of unified local elections

NIHON KEIZAI (Page 2) (Full)  
April 21, 2006

By Hiroshi Minegishi, Seoul

South Korea remains defiant toward Japan, but it is looking for ways at the same time to resolve the row with Japan with diplomatic efforts. Behind this dual approach is the calculation that it would be disadvantageous to South Korea if the issue of sovereignty over Takeshima (Dokdo in Korean), a group of islets now under de facto South Korean control, drew a lot of attention and became an international issue, ratcheting up tensions between Japan and South Korea. But compromise options available to the South Korean government are very limited, because the issue is linked to territory and history, to which the general public reacts sensitively, and given the unified local elections slated for late May.

The South Korean government has made clear its hard-line position, conveying to United Nations Secretary General Annan its decision not to follow the proceedings for dispute resolution under the auspices of international legal organizations. However, its real intention is to try to settle the issue through diplomacy. Evidence of this is found in Seoul's acceptance of a visit to South Korea by Vice Foreign Minister Yachi.

South Korea has no intention to depart from its basic stance, but an idea being considered there is to postpone proposing name changes for underwater geographical features at an upcoming international conference and thereby push Japan to cancel its survey plan. Minister of Foreign Affairs and Trade Ban Ki Moon yesterday steered clear of mentioning a specific time when his country would present a proposal on name changes to the international conference, saying only, "We will do so at a proper time."

The South Korean government has reacted strongly to this issue. One reason is because Japan's planned marine survey concerns sovereignty, and more importantly, such a survey is associated with the history of humiliation Koreans suffered during Japan's colonial rule. Japan put Takeshima in Shimane Prefecture in 1905, when Japan took away Korea's power to conduct independent diplomacy. Reportedly, Takeshima is viewed by South Koreans as being the beginning of the ruin of their country.

In addition, there was an armed clash between Japan and Korea in 1875, when the Japanese government sent vessels to the coast of Kanghwado in the name of marine surveys. South Koreans still remember that this clash later forced Korea to conclude the Kanghwado Treaty, which granted Japan extraterritorial rights. This chain of distrust of Japan has made it more difficult for South Korea to reach a settlement with Japan.

11) US will not intervene in Tokyo-Seoul dispute

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ASAHI (Page 3) (Full)  
April 21, 2006

Kei Ukai in Washington, Yusaku Yamane in Beijing

A standoff is intensifying between Japan and South Korea over a Japanese plan to survey the seabed near disputed islets (Takeshima in Japanese and Dokdo in Korean). Commenting on the standoff, a ranking US government official stated on April 19, "We have urged the two governments to restrain their actions for a peaceful settlement." The official indicated that Washington had no intention to intervene in the bilateral issue, saying, "Are position is that we will not get involved in territorial disputes."

Meanwhile, Chinese Foreign Ministry Press Bureau deputy chief Qin Gang stated yesterday: "We hope that South Korea and Japan will deal appropriately with the issue through talks."

12) ASDF scrambles 8 times more often against Chinese aircraft over past year

Air Self-Defense Force (ASDF) fighter jets made a total of 229 scrambles over the past fiscal year of 2005 in response to planes approaching Japan's airspace, the Defense Agency said yesterday. The figure is over 60% greater than that in the preceding fiscal year and exceeded 200 for the first time in seven years. There was a substantial increase in the number of scrambles against Chinese planes, the agency explained. "We'll continue to watch with serious concern," a Joint Staff Office source said.

According to the Defense Agency's estimated statistics, those 229 scrambles of ASDF fighter jets included 116 against Russian planes and 107 against Chinese planes. In fiscal 2004, the ASDF scrambled 13 times against Chinese planes. These stats show that the ASDF scrambled eight times more often against Chinese planes over the past fiscal year. ASDF fighters scrambled twice against Taiwanese planes.

The Defense Agency has not revealed anything in detail about the types of those Chinese aircraft or their activities. In its analysis, however, the agency recounted that China has been developing gas fields in the East China Sea and that there were probably many more intelligence-gathering flights. The agency is increasingly alert.

There was an airspace violation on Jan. 25, when a Russian plane flew over the island of Rebun in Hokkaido.

13) Chinese Embassy declines police request to question diplomats over visa scam

The Chinese Embassy declined the Metropolitan Police Department's (MPD) request to question two diplomats, including a counselor (51) at the embassy, over their relations with Chinese

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businessman Zhang Jin (51), who has been indicted on charges of illegally obtaining residential status for another man in violation of the Immigration Control Law. The MPD has seized a memo indicating that the counselor was instructing Zhang to do more for the China-Taiwan reunification movement. The MPD intends to ask again that they be made available for questioning.

The MPD asked the Foreign Ministry on April 13 to arrange for the counselor and a senior commerce section member to appear at the MPD to answer questions about their ties with Zhang, setting April 20 as a deadline for them to comply.

Under the International Convention, diplomats are granted immunity from the host nation's laws. A Chinese Embassy spokesman said: "There is no need to comply with the request under the International Convention." He added: "It is not unusual for Chinese Embassy staff to contact Chinese in Japan."

14) Speculation rife on whether prime minister will visit Yasukuni Shrine's spring festival, which starts today

In view of the start of the spring festival at Yasukuni Shrine today, there is speculation in the government and ruling parties as to whether Prime Minister Junichiro Koizumi will visit the shrine. The prime minister visited Yasukuni on the first day of the festival in 2002. However, in the major opposition Democratic Party of Japan (Minshuto or DPJ), Ichiro Ozawa, who is critical of the prime minister's visit to the shrine, has recently come into office as president of the party. The by-election in the Lower House Chiba No. 7 Constituency, which will play a role in determining the future political situation, will take place on

April 23. Japan's relations with China and South Korea are increasingly strained. There is, therefore, strong speculation that the prime minister will not visit Yasukuni during the spring festival. However, if he does so, it is bound to have a major impact both inside and outside Japan.

A New Komeito senior official strongly warned against a visit to Yasukuni, noting: "If the prime minister visits the shrine, the reaction of Beijing and Seoul will definitely become even stronger. It will be playing right into the hands of Mr. Ozawa. Should that occur, the focus of confrontation between the LDP and the DPJ will become clearer, having a clear impact on the Chiba by-election." Because of this, the dominant view in the government and the ruling camp is that the prime minister will not visit Yasukuni Shrine.

15) Administrative reform promotion bill clears Lower House; Sluggish deliberations; Three key points: (1) Can administrative expenses be constrained? (2) What is simple government? and (3) What are public services?

ASAHI (Page 4) (Excerpts)  
April 21, 2006

The current Diet session has been termed the administrative Diet session, but the ruling and opposition parties are arguing at cross-purposes on reform competition. Deliberations on the administrative reform promotion bill, which cleared the Lower

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House yesterday, were sluggish due to the fake e-mail fiasco involving the major opposition party Democratic Party of Japan (Minshuto or DPJ) and the replacement of its president. However, three major key points have emerged through discussions on the scale and role of administration. The focus of deliberations starting next week will likely be on to what extent these points can be worked out.

Lawmakers remained skeptical about the efficacy of constraints on administrative spending, the main objective of the legislation. The bill included a policy of slashing the net number of national government employees by more than 5% over five years as a means to trim total personnel expenses. However, at the outset of the deliberations, Prime Minister Koizumi made this reply: "The proposed cut in the number of national government employees does not mean that each government agency should reduce their staff uniformly." A number of ruling party lawmakers questioned concerned cabinet ministers in an attempt to press them to protect certain areas.

DPJ lawmakers intensively pursued the issue of negotiated contracts for public works. Yosuke Kondo, who took the podium to offer a counterargument during yesterday's Lower House plenary session criticized the practice, "Concluding such a form of contracts is in principle allowed as exceptions. However, negotiated contracts, in fact, account for 70% of the entire contract cases."

The prime minister has ordered various cabinet ministers to review negotiated contracts in their ministries this month. Encouraged by this order, the DPJ is geared up to pursue the issue, including the collusive ties between local instruments of government and public corporations that accept retired senior bureaucrats.

SCHIEFFER